

Agenda Report

File #: 2023-2998, **Version:** 1

FROM: Robert Thompson, General Manager
Originator: Mike Dorman, Director of Engineering

SUBJECT:

FURNITURE, FIXTURES, AND EQUIPMENT PURCHASE UPDATED APPROVAL FOR HEADQUARTERS COMPLEX AT PLANT NO. 1, PROJECT NO. P1-128A

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Rescind approval of a Purchase Order Contract to GM Business Interiors (GMBI) for the purchase of furniture for the Headquarters Complex at Plant No. 1, Project No. P1-128A, utilizing the County of Orange Regional Cooperative Agreement No. RCA-017-22010154 for a total amount not to exceed \$3,907,183 including freight and sales tax and a contingency of \$39,072 (1%); and
- B. Approve a Purchase Order Contract to PeopleSpace, Inc. for the purchase of furniture for the Headquarters Complex at Plant No. 1, Project No. P1-128A, utilizing the cooperative contract with the County of Orange Regional Cooperative Agreement No. RCA-017-22010154, the National Cooperative Purchasing Alliance (NCPA) Agreement Nos. 07-43 and 07-84, and OMNIA Contract No. R191803 for a total amount not to exceed \$4,995,819 including freight and sales tax.

BACKGROUND

Orange County Sanitation District (OC San) is constructing a new headquarters building under Project No. P1-128A. The new headquarters will require furniture, fixtures, and equipment (FFE) that were intentionally not included in the primary construction contract and were planned as a separate, coordinated effort. The FFE includes items such as desks, chairs, and cabinets. The P1-128A design consultant, HDR Engineering, has assisted in the FFE design to ensure the items selected are compatible with the building design, create a cohesive aesthetic with the mass timber building, support the collaborative work environment OC San is trying to create, and meet quality standards for a long service life.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Provide a safe and collegial workplace
- Maintain positive employer-employee relations

PROBLEM

The new headquarters building requires FFE to be functional. Staff will not be able to use the new building if FFE is not purchased.

PROPOSED SOLUTION

Approve a purchase order contract for FFE for Headquarters Complex at Plant No. 1, Project No. P1-128A.

TIMING CONCERNS

The FFE must be installed by December 2023 to maintain the project schedule and allow staff to occupy the new building.

RAMIFICATIONS OF NOT TAKING ACTION

The FFE must be installed by December 2023 to maintain the project schedule and allow staff to occupy the new building.

PRIOR COMMITTEE/BOARD ACTIONS

April 2023 - Approved a Purchase Order Contract to GM Business Interiors (GMBI) for the purchase of furniture, fixtures, and equipment for the Headquarters Complex at Plant No. 1, Project No. P1-128A, utilizing the County of Orange Regional Cooperative Agreement No. RCA-017-22010154 for a total amount not to exceed \$3,907,183 including freight and sales tax; and approved a contingency of \$39,072 (1%).

ADDITIONAL INFORMATION

OC San requested proposals on December 28, 2022 from three different furniture dealers that currently have active cooperative agreements that OC San can utilize for this purchase in accordance with OC San's Purchasing Ordinance. All proposals were reviewed and evaluated and GMBI provided the most competitively priced proposal. OC San approved a Purchase Order Contract to GMBI under the County of Orange Regional Cooperative Agreement Number RCA-017-22010154 at the April 26, 2023 Board meeting.

After executing the contract, GMBI discovered a significant error in their pricing and was unable to stand by their proposal. OC San elected to re-open negotiations with all three dealers to provide their best and final pricing as well as cost-saving alternatives. PeopleSpace Inc. provided a high-quality and cost-competitive package with the most opportunity for cost savings. The revised proposal from PeopleSpace Inc. was \$4,995,819 based on the specified furniture. PeopleSpace Inc.'s cost saving proposal offers the possibility to reduce the cost to \$3.4 million with significant design changes involving color, finish, functionality, and workplace environment impacts. The amount listed in this Recommendation is the total without any cost savings factored in. The design team will coordinate with PeopleSpace Inc. to reduce the cost as much as possible without significantly reducing quality of the product or working environment.

The Cooperative Agreements being used were awarded using a competitive bid process comparable to OC San's and vetted by OC San's Purchasing Division. These costs are inclusive of freight and sales tax.

CEQA

The Headquarters Complex project is included in the Addendum to the City of Fountain Valley "Fountain Valley Crossings Specific Plan" Program Environmental Impact Report, State Clearinghouse No. 2015101042.

FINANCIAL CONSIDERATIONS

This project was budgeted (Adopted Budget, Fiscal Years 2022-2023 and 2023-2024, Section 8, Page 55, Headquarters Complex, Project No. P1-128). This item can be funded with existing budget, but funding for the audiovisual installation and remaining equipment, scheduled to go to the Operations Committee in July, is contingent on the project budget increase proposed in the Fiscal Year 2023-24 Capital Improvement Program budget update.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Presentation

AB:tk